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FM AMEMBASSY BEIRUT
TO RUEHC/SECSTATE WASHDC 5526
INFO RUEHEE/ARAB LEAGUE COLLECTIVE
RUCNMEM/EU MEMBER STATES COLLECTIVE
RHEHAAA/NSC WASHDC
RUEATRS/DEPT OF TREASURY WASHDC

UNCLAS BEIRUT 000909

SIPDIS

SENSITIVE

STATE FOR NEA/ELA AND EEB/IFD/ODF
PLEASE PASS TO OPIC HARRIS MEHOS, SENIOR MANAGER, SF
STATE PASS USAID LAUDATO/NANDY/SCOTT
TREASURY FOR PARODI/BLEIWEISS/AHERN
NSC FOR SHAPIRO/MCDERMOTT

E.O. 12958: N/A

TAGS: [EAID](#) [EFIN](#) [PGOV](#) [LE](#)

SUBJECT: APPLICATION FOR OPIC FINANCE: AMERICAN UNIVERSITY OF BEIRUT

REF: STATE 74194

1. (U) The following are Post's comments in response to reftel.

2. (SBU) The American University of Beirut (AUB), one of the most reputable universities in Lebanon and the region, is a private, independent, non-sectarian institution, with over 7,000 students currently enrolled. Many of Lebanon's political class and business community are AUB graduates. While AUB is a recipient of USAID assistance for scholarships and offers a student loan program, these fall short of student demand. In order for AUB to accommodate more Lebanese students, it is striving to expand its student loan financing program.

3. (SBU) We do not anticipate major events that could impact AUB's presence. AUB remained open through years of political instability in Lebanon, including throughout the 1975-1990 civil war and the July 2006 war with Israel, and it has continued to grow in size. If the security situation remains stable in Lebanon, future prospects for private education are excellent.

4. (SBU) The Embassy has a good relationship with AUB's president, as well as with its deans, professors, and several of its trustees, many of whom are known to USAID and PD offices and all of whom are well-respected in Lebanon.

5. (SBU) A senior contact at the Banking Control Commission (Lebanon's banking regulator) told us that all the possible participating banks (listed in reftel) for this program enjoy a good reputation. They are among the top ten banks in Lebanon, with the exception of Banque Misr Liban, a sound, but small bank. Also, a senior contact at Lebanon's financial intelligence unit, the Special Investigation Commission, told us that AUB and the possible participating banks enjoy a good reputation.

6. (SBU) The Embassy recommends approval of AUB's application for the OPIC student loan financing program. Nonetheless, we also note that Lebanon has an acute need for student loan financing at its many other universities, including some U.S.-affiliated institutions. We encourage OPIC and other USG agencies to explore further opportunities in this area.

SISON